

DISASTER RECOVERY INITIATIVE
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Allocations, Waivers and Alternative Requirements for Grantees Receiving Community Development Block Grant Disaster Recovery Funds in Response to Disasters Occurring in 2016
The Continuing Appropriations Act, 2017, The Further Continuing and Security Assistance Appropriations Act, 2017 and The Consolidated Appropriations Act, 2017 (Public Law 114-223, 114-254 and 115-31)

Federal Register Docket No.

FR-5989-N-01, FR-6012-N-01 and FR-6039-N-01, FR-6136-N-01

LOUISIANA OFFICE OF COMMUNITY DEVELOPMENT, DISASTER RECOVERY UNIT



**STATE OF LOUISIANA
SUBSTANTIAL ACTION PLAN AMENDMENT NO. 14
FOR THE UTILIZATION OF
COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS IN RESPONSE TO THE GREAT FLOODS OF
2016**

Public Comment Period: Wednesday, June 10th, 2020 until
5 p.m. Tuesday, June 30th, 2020

SUBMITTED TO HUD: June __, 2020

APPROVED BY HUD:

[John Bel Edwards](#)

Governor



Billy Nungesser

Lieutenant Governor

1. Summary of Changes

Action Plan Amendment No. 14 (APA 14) adjusts existing program budgets and beneficiaries in order to address the outstanding unmet recovery needs from the Great Floods of 2016. To meet the remaining needs, the State of Louisiana is proposing the following changes within the flood programs:

- A. Reduce the budget for Interim Housing Assistance Program (IHAP) by \$20M;
- B. Reduce the NLRP by \$5.5M and add to the NLRP Phase 2
- C. Reduce the budget for Multifamily Rental Gap Program (MRGP) by \$1.5M;
- D. Reduce the Rapid Rehousing Program by \$3M
- E. Modify the PRIME Program maximum award;
- F. Increase the budget for PRIME by \$75,189,291;
- G. Remove the budget for the pilot Neighborhood Stabilization Housing Initiative (NSHI) 10M;
- H. Reduce the budget for Homeowner Assistance Program by \$34,180,431 to increase budget under the PRIME Program. Sufficient funds remain budgeted for the Restore Program to server all active applicants currently participating.
- I. Reduce the budget for First Responders Public Services Program by \$6,308,860
- J. Remove the budget for Small Business TA by \$200,000

Modifications to existing flood recovery programs are critical to the ongoing recovery of impacted communities and will help to stabilize the housing stock of the impacted areas. As a result of the proposed changes, impacted renters, homebuyers, and the at risk homeless population will receive assistance that better meets their needs based on the status of their recovery. In addition, , the changes will put the state in a better position to serve those economic sectors with remaining unmet needs, all resulting in a more coordinated, data-driven and resilient recovery.

This APA is considered substantial, as it involves the movement of \$80,689,291 in program budget funds and changes program beneficiaries.

State of Louisiana Total CDBG-DR Allocations			
	Previous Allocation	Change	Revised Allocation
Total Allocation	\$1,708,407,000		\$1,708,407,000
Restore Louisiana Homeowner Programs			
· Homeowner Assistance Program	\$1,163,896,906	(\$34,180,431)	\$1,129,716,475
· RLHP Flood Insurance Assistance Program	\$1,000,000		\$1,000,000
· RLHP Interim Housing Assistance Program	\$30,000,000	(\$20,000,000)	\$10,000,000
Rental Housing, Housing Assistance and Homelessness Prevention Programs			
· Neighborhood Landlord Rental Program	\$46,947,884	(\$5,500,000)	\$41,447,884
· Neighborhood Landlord Program Phase II	\$11,000,000	\$5,500,000	\$16,500,000
· Multifamily Rental Gap Program	\$22,515,518	(\$1,500,000)	\$21,015,518
· Piggyback Program	\$79,756,303		\$79,756,303
· Permanent Supportive Housing Program	\$5,000,000		\$5,000,000
· Rapid Rehousing Program	\$21,000,000	(\$3,000,000)	\$18,000,000
· Resilient and Mixed Income Piggyback Program	\$34,810,709	\$75,189,291	\$110,000,000
· Neighborhood Stabilization Housing Initiative	\$10,000,000	(\$10,000,000)	\$0
· Soft Second Program	\$6,000,000		\$6,000,000
· Safe Haven Program	\$4,000,000		\$4,000,000
· Louisiana Military Department – Affordable Rental Housing Program (LMD-ARHP)	\$10,000,000		\$10,000,000
Restore Louisiana Economic Recovery and Revitalization Programs			
· Small Business Loan Program	\$41,200,000		\$41,200,000
· Small Business Technical Assistance Program	\$200,000	(\$200,000)	\$0
· Farm Recovery Program	\$20,000,000		\$20,000,000
Infrastructure Program (FEMA Match)	\$115,000,000		\$115,000,000
First Responders Public Services Program	\$8,000,000	(\$6,308,860)	\$1,691,140
Watershed Modeling and Planning	\$16,600,800		\$16,600,800
Regional Capacity Building Grant	\$3,200,000		\$3,200,000
Administration and Other Planning Expenses	\$58,278,880		\$58,278,880

2. Proposed Use of Funds—Reallocation of funds for existing programs:

Interim Housing Assistance Program

Eligible Activity	Interim mortgage assistance, Rental assistance to displaced homeowners, HCDA Sections 105(a)(8), FR-5989-N-01, 81 FR 83254
National Objective	Benefit to low-to-moderate income persons and urgent need
Previous Program Budget	\$30,000,000
Budget Change	-\$20,000,000
Revised Program Budget	\$10,000,000

Budget change summary: As created in Action Plan Amendment 11 the RLHP Interim Housing Assistance Program is decreased to \$20M because of undersubscription. The revised budget is projected to cover all current and future needs. The survey and application periods for applicants in all tiers of the program have been completed and the total homeowner applicant population has been identified. Moreover, the program closing deadline was January 17, 2020 so the entire population of participating homeowners is identified.

Neighborhood Landlord Rental Program

Eligible Activity	Rehabilitation, new construction, loan financing (HCDA Sections 105 (a)(4)); 105(a) (8-9); 105(a) (15)).
National Objective	Benefit low-to-moderate income persons
Previous Program Budget	\$46,947,884
Budget Change	\$-5,500,000
Revised Program Budget	\$41,447,884

Budget change summary: This program provided approximately 70 awards for the development of approximately 300 affordable units. Funding is reduced by \$5.5M because this program was undersubscribed. This program was created in Action Plan 1 as the In-fill Rental Development Program and amended in APAs 3, 7, 8, 11, and 12.

Neighborhood Landlord Rental Program Phase II

Eligible Activity	Rehabilitation, new construction, loan financing (HCDA Sections 105 (a)(4)); 105(a) (8-9); 105(a) (15)).
National Objective	Benefit to low-to-moderate income persons
Previous Program Budget	\$11,000,000
Budget Change	\$5,500,000
Revised Program Budget	\$16,500,000

Budget change summary: NLRP was undersubscribed. Therefore, these funds are added to NLRP II and will be utilized to increase awards to landlords for additional affordable units. This program

was created in Action Plan Amendment 11.

Multifamily Rental Gap Program

Eligible Activity	Rehabilitation, new construction, loan financing (HCDA Sections 105 (a)(4)); 105(a) (8-9); 105(a) (15)).
National Objective	Benefit to low-to-moderate income persons
Previous Program Budget	\$22,515,518
Budget Change	\$-1,500,000
Revised Program Budget	\$21,015,518

Budget change summary: This program provided 13 awards for the rehabilitation of 573 affordable units. Funding is reduced by \$1.5M because the program had less than projected costs related to program delivery. This program was created in Action Plan 1 and amended in APAs 1, 3, and 7.

Rapid Rehousing Program

Eligible Activity	HCDA Section 105(a)4, 105(a)8
National Objective	Benefit to low-to-moderate income persons and urgent need
Previous Program Budget	\$21,000,000
Budget Change	-\$3,000,000
Revised Program Budget	\$18,000,000

Budget change summary: The state operates the Rapid Rehousing Program to address the needs of the homeless and persons at risk of becoming homeless by providing a combined solution of affordable housing and supportive services that assist displaced households in their endeavors to become self-sufficient. Rapid Rehousing is currently funded at \$21 million and has served 878 participants. The Rapid Rehousing Program is being reduced to \$18M because this program is now undersubscribed. This program was created in Action Plan Amendment 1 and amended in APAs 2, 10, and 11.

Resilient and Mixed Income Piggyback Program (PRIME)

Eligible Activity	Acquisition, clearance, rehabilitation, reconstruction, and new construction, elevation, loan financing HCDA Sections 105 (a)(1), (4) and (14)
National Objective	Benefit to low-to-moderate income persons
Previous Program Budget	\$34,810,709
Budget Change	\$75,189,291
Revised Program Budget	\$110,000,000

Budget change summary: In an effort to better address the lack of affordable multi-family housing in the most impacted flood parishes, the PRIME program is increased to \$110M to fund additional eligible activities. The funding will provide developers with the opportunity to use workable

approaches to resilient housing (such as, but not limited to, siting requirements outside of the special flood hazard area, FORTIFIED Commercial Building Standards, elevated structures/mechanicals, building materials/technologies, power generation, topography and landscaping, retention/detention ponds, etc.) toward development of an additional 4-6 properties, which are substantially more likely to fare better in major storms than existing properties in similar locations. Additionally, the cap of \$100K per unit D-CDBG is replaced with a per unit maximum of \$150K D-CDBG funding. The increase is a result of increased development costs associated with program resilience requirements, i.e. no development within SFHA & if developing in Zone B or X (shaded), project must be elevated a minimum of three feet. Furthermore, the program requires IBHS FORTIFIED commercial, Enterprise Green Communities certification with emphasis on design for resilience and mixed income characteristics. This program was created in Action Plan Amendment 11.

Neighborhood Stabilization Housing Initiative Program

Eligible Activity	Rehabilitation, new construction, loan financing (HCDA Sections 105 (a)(4)); 105(a) (8-9); 105(a) (15)).
National Objective	Slum and Blight remediation (100%), or Benefit to low-to-moderate income persons (100%)
Previous Program Budget	\$10,000,000
Budget Change	-\$10,000,000
Revised Program Budget	\$0

Budget change summary: The Neighborhood Stabilization Housing Initiative Program is canceled and reduced to zero. This was a pilot program that is not feasible for implementation due to complexities of administration. This program was created in Action Plan Amendment 11.

Restore Louisiana Homeowner Program

Eligible Activity	Rehabilitation, Reconstruction, Buyouts and Acquisitions (42 U.S.C. 5305(a)(4)); HCDA Sections 105 (a)(1), 105(a)(3-4), 105(a)(7-8)). Housing Incentive, as identified in Federal Register Docket No. FR-5989-N-01. Also eligible are elevation expenses related to rehabilitation and reconstruction activities and reimbursement of eligible rehabilitation and reconstruction activities.
National Objective	Urgent Need or benefit to low-to-moderate income persons
Previous Program Budget	\$1,163,896,906
Budget Change	-\$34,180,431
Revised Program Budget	\$1,129,716,475

Budget change summary: The Restore Louisiana Homeowner Program was undersubscribed. Therefore, these funds are added to PRIME and will be utilized to increase resilient affordable housing units. The Program continues to have sufficient budgeted funds to serve the remaining

homeowners who applied by the deadline and currently are in process of homeowner projects including those applicants impacted by the change with SBA duplication of benefits rules.

First Responders Public Services Program

Eligible Activity	Public Services: HCDA Section 105(a)8
National Objective	Low-to-Moderate Income and Urgent Need
Previous Program Budget	\$8,000,000
Budget Change	-\$6,308,860
Revised Program Budget	\$1,691,140

Budget change summary: The First Responders Public Services Program addresses the unmet needs caused by a reduction in revenue received from ad valorem taxes following the reassessment of properties in the aftermath of the 2016 floods. This program provides grants for operational assistance necessary for these types of service providers to provide the levels of service that were projected and provided before the Great Floods of 2016. The reduction in the budget is due to the program being undersubscribed. The program was created in Action Plan Amendment 8.

Small Business Technical Assistance

Eligible Activity	HCDA Section 105(a)8, 105(a) 14-15, 105(a) 17 and 105(a)21-22
National Objective	LMI, Urgent Need
Previous Program Budget	\$200,000
Budget Change	-\$200,000
Revised Program Budget	\$0

Budget change summary: The Small Business Technical Assistance Program provides support to those applying for loans to receive business technical assistance services as part of the loan underwriting and loan servicing processes. The state is reducing the program budget to zero. The program is canceled as the Small Business Loan and Grant Program was able to be implemented without this program. The program was approved under Action Plan Amendment 1 and amended in APA 11.

Safe Haven Program

Eligible Activity	HCDA Sections 105(a) (1-2), (4) and (8)
National Objective	Benefit to low-to-moderate income persons
Previous Program Budget	\$4,000,000
Budget Change	\$0
Revised Program Budget	\$4,000,000

Proposed Use of Funds: This is a technical correction on Eligible Activity. In APA 11, HCDA Sections 105(a) (1-2), (4) and (8) were listed, but the verbiage “Services for homeless persons” was inadvertently omitted.

3. Public Comments

Per the state's initial Action Plan, this Amendment is considered substantial as it as it substantially amends program budgets and adds new programs and beneficiaries. The formal public comment period for the amendment begins Wednesday, June 10th, 2020 and runs until 5 p.m. Tuesday, June 30th, 2020. Citizens and organizations can comment on this amendment via:

- The OCD-DRU website, http://www.doa.la.gov/Pages/ocd-dru/Action_Plans.aspx;
- Emailing them to ocd@la.gov;
- Mailing them to Disaster Recovery Unit, P.O. Box 94095, 70804-9095, Attn: Janice Lovett; or
- Faxing them to the attention of Janice Lovett at (225) 219-9605.

The plan is available in Vietnamese and Spanish to reach the limited English proficiency citizens in the impacted areas. Citizens with disabilities or those who need other technical assistance can contact the OCD-DRU office for assistance via the methods listed above.

4. Appendix

PUBLIC COMMENT

OCD RESPONSE: